

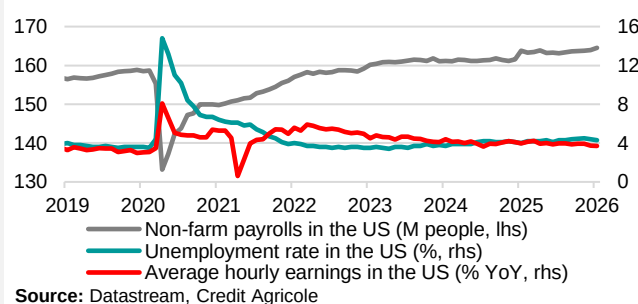
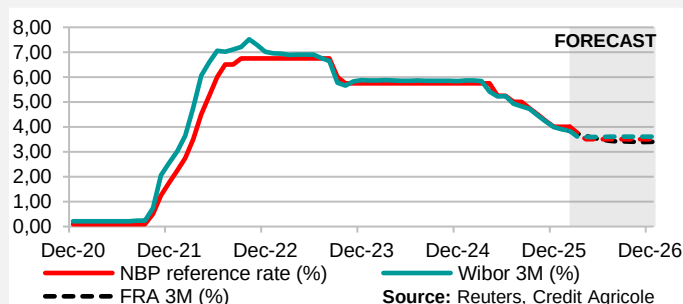
This week

Over the weekend, US and Israel launched coordinated military strikes against multiple targets in Iran, which had a destabilising impact on geopolitical situation in the Middle East. Military activity escalation in the region generates well-grounded concerns about a possible strong rise in the prices of oil, which could subsequently increase the inflationary pressures and exert a downward impact on consumption growth, but it looks like the current situation is a transitional market shock rather than a long-term crisis in the region. The official communication of the US administration says the horizon of military operations is relatively short (four weeks), which clearly indicates that a short-term conflict is the most likely scenario, and that should substantially mitigate a long-term negative impact on the global economy. However, this week, we may observe increased volatility in financial markets.

The most important event this week will be the Monetary Policy Council's meeting scheduled for Wednesday. MPC members' comments made over the last couple of weeks indicated that they were ready to keep easing the monetary policy in March. We believe that the MPC will resume the interest rate cut cycle this week, lowering the NBP reference rate by 25bp, to 3.75%. If taken, such a decision would be consistent with the statements made by the NBP Governor at the press conference held after the February MPC meeting (see MACROmap of 09/02/2026) and with the market consensus. The NBP's new macroeconomic projection will also be released this week. In our view, the inflation trajectory for this year will be adjusted downwards given a lower starting point. GDP growth forecast is unlikely to change in any substantial manner. The NBP Governor's usual press conference will be held on Thursday, which may shed more light on Poland's monetary policy prospects and increase the volatility of the PLN and the yields on Polish bonds.

Full Q4 2025 GDP data for Poland will be released today. We expect the GDP growth to print in line with the flash estimate (4.0% YoY in Q4 vs. 3.8% in Q3). Given the full-year data for 2025, we believe that economic growth acceleration was driven by a stronger contribution of consumption and inventories, with an opposite impact coming from a slowdown in investments (see MACROPulse of 30/01/2026).

This week, labour market data will come into the spotlight in the US. Following a very strong January report (job growth of 130k), we expect a marked slowdown in February, with the number of jobs going up by approx. 70k. That would mean the month-on-month increase in the number of jobs would be lower, but still above the level stabilising the unemployment rate. We assume that the said rate will stay at 4.3% in February, below the local peak of 4.5% seen in November. At the same time, we expect the average hourly wage rate to stabilise at 3.7% YoY. A set of data such as this would confirm that the stabilisation scenario for the labour market is materialising, and also would support our forecast that assumes that Fed will keep the interest rates unchanged this year. As regards other publications, we anticipate that retail sales in January went down by 0.3% MoM, mainly



due to lower sales of cars, with a simultaneous 0.4% MoM growth in sales excluding cars and fuels. In December, the sales remained the same in both respects. ISM indices are likely to go slightly down in February (from 52.6 pts to 51.6 pts for manufacturing, and from 53.8 pts to 53.0 pts for services), but they will stay above the 50-point mark, still being indicative of a moderate economic growth in the US at the beginning of Q1 2026.

- ✓ **We expect the HICP inflation in the Eurozone to edge up from 1.7% YoY in January to 1.8% YoY in February, mainly due to higher energy prices and low base effect.** Core inflation should stay at 2.2% YoY, which means that the prices of goods and services keep growing at a rate exceeding the ECB inflation target. However, it should be noted that we can see a downside risk to our forecast for the entire Eurozone following the last week's release of data for Germany. This is because of HICP inflation going down in Germany, from 2.1% YoY to 1.9% YoY, which was markedly below our forecast of 2.2% YoY.
- ✓ **Poland's manufacturing PMI went down from 48.8 pts in January to 47.1 pts in February, printing markedly below our forecast (49.4 pts) and market expectations (49.3 pts).** Consequently, this was the lowest PMI reading since August 2025. Both the level and the structure of the February PMI indicate that the industrial production rebound following the surprising drop in January (see MACROPulse of 19/02/2026) can be weaker than we previously expected (see below).

Last week

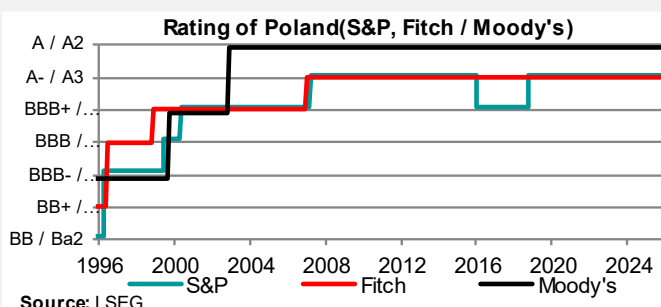
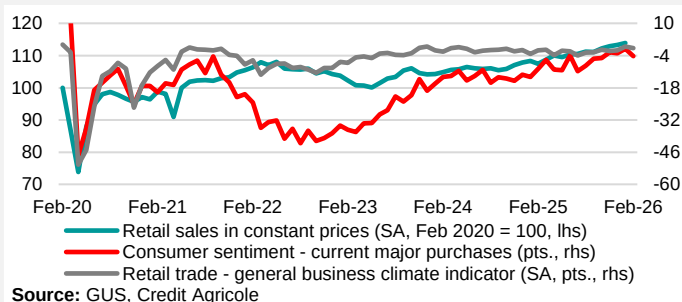
- ✓ **Despite a slight slowdown in the real growth rate of retail sales in Poland (4.4% YoY in January vs. 5.3% in December), the reading came in well above expectations (see MACROPulse of 23/02/2026).**

The slowdown was mainly due to unfavourable calendar effects and a cold winter, which limited consumer

mobility and weighed on sales of, among others, cars, consumer electronics, household appliances, furniture and fuels. At the same time, clothing and footwear sales rose strongly, while a key stabilising factor for total retail turnover was the dynamic growth of online sales (10.9% YoY – the highest reading since March 2025). Moreover, after seasonal adjustment, retail sales increased by 0.5% MoM in January, reaching a historical high. Overall, this data points to a strong start to consumption in early 2026 and indicates upside risk to our forecast of private consumption growth in Q1 (3.2% YoY compared with 4.2% in Q4).

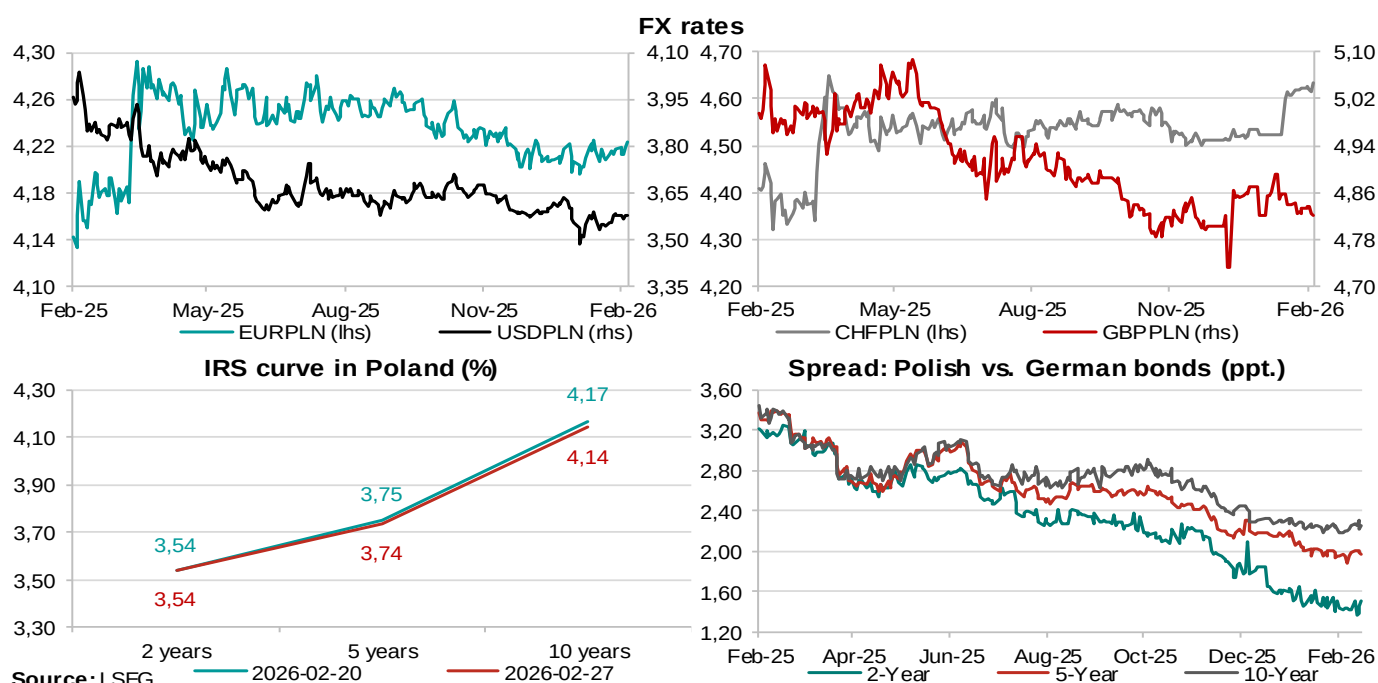
- ✓ **Fitch Affirms Poland's rating at 'A-' with a Negative Outlook.** According to the agency, the current rating reflects, on the one hand, Poland's large, diversified and resilient economy, the benefits of EU membership, credible monetary and exchange rate policies, and a solid external debt position. On the other hand, the rating is constrained

by high fiscal deficits, a steep increase in general government debt, and relatively lower income per capita and governance indicators. The negative outlook reflects the risk of persistently high fiscal deficits which – combined with the absence of a credible fiscal consolidation plan and



domestic political challenges – undermines confidence in the government’s ability to contain debt growth. According to Fitch, an upgrade of the outlook to stable could occur if the probability increases that the government will implement fiscal consolidation measures sufficient to stabilise the general government debt/GDP ratio over the medium term. Conversely, negative rating action could result from a weakening of investor confidence in public debt stabilisation (e.g. due to a lack of consolidation, lower economic growth or higher financing costs), or from a significant deterioration in medium-term growth prospects stemming from a loss of competitiveness or weaker external demand. In our view, maintaining the rating at the current level, despite the negative outlook highlighting fiscal risks, should be broadly neutral for the PLN exchange rate and yields on Polish bonds.

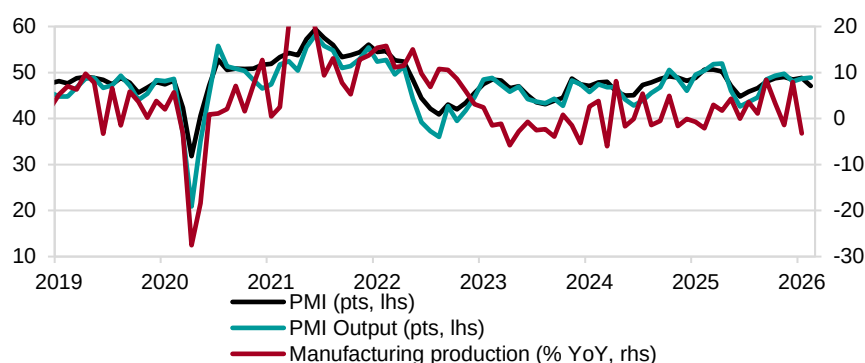
MPC to resume interest rate cutting cycle



At the beginning of last week, risk aversion increased amid tensions surrounding Iran and uncertainty over tariffs. This supported a decline in yields in core markets (capital flowing into safe-haven assets), which in turn translated into higher prices of Polish government bonds and lower IRS rates. Notably, the yield on two-year bonds fell at that time to four-year lows of around 3.40%, while the yield on ten-year bonds dropped below 5%. The PLN exchange rate remained relatively stable against the EUR, supported by solid domestic retail sales data. After a temporary stabilisation of valuations in the middle of the week – driven by a short-lived improvement in global sentiment following favourable earnings results from Nvidia – Thursday and Friday saw a correction. The impasse in diplomatic negotiations between the US and Iran, combined with the rising probability of military intervention in the Middle East, triggered a renewed increase in risk aversion. This contributed to a weakening of the PLN, a decline in prices of Polish bonds and a fall in IRS rates.

This week, the key events for the market will be the MPC meeting and the press conference of the NBP Governor. In our view, these events may lead to elevated market volatility. However, the dominant factor remains the large-scale military offensive in the Middle East (see above) and the risk of increased involvement by other Persian Gulf states. The course of this conflict may have a sudden and significant impact on global risk aversion and asset prices, particularly the PLN exchange rate and bond prices.

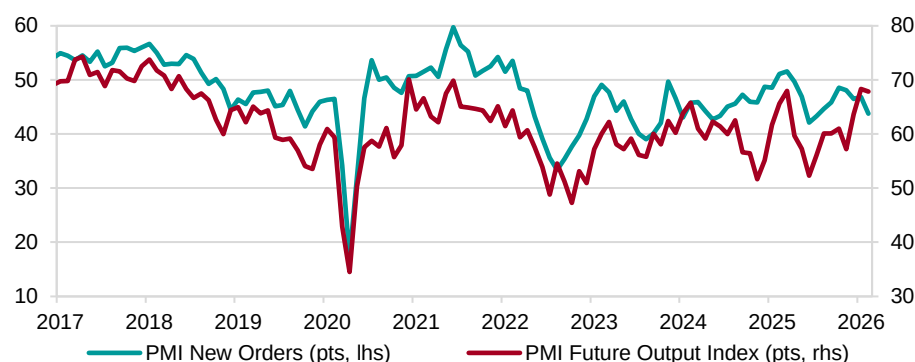
Surprising deterioration in Polish manufacturing



Source: S&P, GUS

component increased slightly. Consequently, the PMI has remained below the 50-point threshold – separating expansion from contraction – for ten consecutive months.

The PMI for Polish manufacturing fell to 47.1 pts in February from 48.8 pts in January, coming in markedly below both our forecast (49.4 pts) and the market consensus (49.3 pts). As a result, the PMI reached its lowest level since August 2025. The February decline was driven by lower contributions from 4 out of 5 components (employment, new orders, suppliers' delivery times and stocks of purchases), while the output



Source: S&P, Credit Agricole

a pronounced weakening in domestic demand. The rapid fall in total new orders is concerning, especially given that weather conditions improved significantly in February after having substantially constrained activity in Polish industry in January (see MACROPulse of 19/02/2026). The acceleration in the decline of new orders contributed to a faster reduction in employment, which in February fell at the fastest pace since May 2024. At the same time, the rate of decline in output was smaller than in January, partly due to a significant reduction in backlogs of work.

Particularly noteworthy in the data is the sharp decline in the new orders component, which fell significantly below the 50-point mark. Its February reading was the lowest since July 2025. The deeper decline in total new orders was accompanied by a relatively modest further fall in new export orders. This suggests that the main driver of the sharper drop in total orders was

The structure of the February PMI also highlights a sharp increase in the input cost index, which rose to its highest level since January 2023. Surveyed firms reported higher prices of raw materials and other inputs, particularly metals and wood, which exerted downward pressure on margins in manufacturing. The strong increase in intermediate goods prices indicated in the PMI survey suggests that the export and investment recovery we expect in 2026 may be accompanied by stronger-than-anticipated upward pressure on sold production prices in industry and, consequently, faster growth in consumer goods and services prices.

Both the level of the February PMI and its composition suggest that the rebound in industrial production in February – following its surprising decline in January (see MACROPulse of 19/02/2026) – may be weaker than we had expected. Nevertheless, the February PMI data do not signal a material deterioration in the outlook for activity in Polish manufacturing. The PMI index measuring expectations for output over the next 12 months remained at an elevated level in February, only slightly lower than in January, indicating continued optimism among businesses regarding production prospects over a 1 year horizon.

Forecasts of the monthly macroeconomic indicators

Main monthly macroeconomic indicators in Poland														
Indicator	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
NBP reference rate (%)	5,75	5,75	5,75	5,25	5,25	5,00	5,00	4,75	4,50	4,25	4,00	4,00	4,00	3,75
EURPLN*	4,19	4,19	4,27	4,24	4,24	4,27	4,26	4,26	4,25	4,23	4,21	4,21	4,22	4,21
USDPLN*	4,04	3,87	3,77	3,74	3,60	3,74	3,64	3,63	3,68	3,65	3,58	3,55	3,58	3,63
CHFPLN*	4,46	4,38	4,56	4,54	4,53	4,60	4,55	4,56	4,57	4,53	4,51	4,52	4,64	4,43
CPI inflation (% YoY)	4,9	4,9	4,3	4,0	4,1	3,1	2,9	2,9	2,8	2,5	2,4	2,2	2,1	
Core inflation (% YoY)	3,6	3,6	3,4	3,3	3,4	3,3	3,2	3,2	3,0	2,7	2,7	2,7	2,6	
Industrial production (% YoY)	-1,8	2,5	1,3	4,0	-0,4	3,0	0,7	7,6	3,2	-1,1	7,3	-1,5	2,5	
Constr. and assembly prod. (% YoY)	-0,1	-1,1	-4,2	-2,8	2,1	0,7	-7,0	0,3	4,2	0,1	4,4	-12,8	-5,0	
PPI inflation (% YoY)	-1,3	-1,0	-1,6	-1,5	-1,5	-1,3	-1,3	-1,4	-2,2	-2,3	-2,5	-2,6	-2,5	
Retail sales (% YoY)	0,6	0,6	7,9	4,3	2,1	4,8	3,0	6,6	5,5	2,8	5,0	3,9	4,9	
Corporate sector wages (% YoY)	7,9	7,7	9,3	8,4	9,0	7,6	7,1	7,5	6,6	7,1	8,6	6,1	7,1	
Employment (% YoY)	-0,9	-0,9	-0,8	-0,8	-0,8	-0,9	-0,8	-0,8	-0,8	-0,8	-0,7	-0,8	-0,8	
Unemployment rate* (%)	5,5	5,4	5,2	5,1	5,1	5,4	5,5	5,6	5,6	5,6	5,7	6,0	6,1	
Current account (M EUR)	115	-1136	88	-711	-262	-1571	-2239	-408	2053	-499	-1698	-330		
Exports (% YoY EUR)	1,2	3,9	-0,6	5,5	3,3	3,5	-0,9	6,2	5,5	2,7	9,7	-4,3		
Imports (% YoY EUR)	4,0	10,5	7,6	7,3	1,9	2,7	-1,0	7,4	2,9	3,1	10,1	-3,0		

*end of period

Forecasts of the quarterly macroeconomic indicators

Main macroeconomic indicators in Poland											
Indicator	2025				2026				2025	2026	2027
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Gross Domestic Product (% YoY)	3,2	3,3	3,8	4,0	3,9	3,7	3,5	3,3	3,6	3,6	3,0
Private consumption (% YoY)	2,6	4,5	3,5	4,2	3,2	3,1	3,0	2,9	3,7	3,1	3,0
Gross fixed capital formation (% YoY)	6,4	-0,7	7,1	4,3	8,4	10,9	7,9	7,7	4,2	8,5	6,6
Export - constant prices (% YoY)	2,1	1,9	6,1	6,5	5,2	5,8	5,8	5,3	4,2	5,5	5,0
Import - constant prices (% YoY)	4,3	3,4	5,9	5,5	5,2	6,1	6,5	6,1	4,8	6,0	5,5
GDP growth contributions											
	Private consumption (pp)	1,6	2,6	2,0	2,1	2,0	1,8	1,7	1,4	2,1	1,7
	Investments (pp)	0,8	-0,1	1,1	1,0	1,1	1,7	1,3	1,8	0,7	1,5
	Net exports (pp)	-0,9	-0,7	0,2	0,2	0,2	0,0	-0,2	-0,2	-0,3	-0,1
Current account (% of GDP)***	-0,4	-0,7	-0,8	-0,7	-0,8	-0,8	-0,9	-0,9	-0,7	-0,9	-1,0
Unemployment rate (%)**	5,3	5,2	5,6	5,7	5,9	5,5	5,5	5,6	5,7	5,6	5,5
Non-agricultural employment (% YoY)	0,0	0,2	0,7	0,7	0,2	0,0	-0,5	-0,5	0,4	-0,2	-0,5
Wages in national economy (% YoY)	10,0	8,8	7,5	8,5	7,5	6,5	6,1	6,0	8,7	6,5	6,0
CPI Inflation (% YoY)*	4,9	4,1	3,0	2,6	1,8	2,2	2,2	2,7	3,6	2,2	3,0
Wibor 3M (%)**	5,84	5,23	4,72	3,99	3,60	3,60	3,61	3,61	3,99	3,61	3,61
NBP reference rate (%)**	5,75	5,25	4,75	4,00	3,75	3,50	3,50	3,50	4,00	3,50	3,50
EURPLN**	4,19	4,24	4,26	4,21	4,21	4,20	4,19	4,18	4,21	4,18	4,15
USDPLN**	3,87	3,60	3,63	3,58	3,63	3,68	3,74	3,80	3,58	3,80	3,55

* quarterly average

** end of period

***cumulative for the last 4 quarters

Calendar

TIME	COUNTRY	INDICATOR	PERIOD	PREV. VALUE	FORECAST*	
					CA	CONSENSUS**
Monday 03/02/2026						
9:00	Poland	Manufacturing PMI (pts)	Feb	48,8	49,4	49,3
9:55	Germany	Final Manufacturing PMI (pts)	Feb	50,7	50,7	50,7
10:00	Poland	Final GDP (% YoY)	Q4	3,8	4,0	4,0
10:00	Eurozone	Final Manufacturing PMI (pts)	Feb	50,8	50,8	50,8
15:45	USA	Flash Manufacturing PMI (pts)	Feb	51,2		
16:00	USA	ISM Manufacturing PMI (pts)	Feb	52,6	51,6	51,8
Tuesday 03/03/2026						
11:00	Eurozone	Preliminary HICP (% YoY)	Feb	1,7	1,8	1,7
Wednesday 03/04/2026						
	Poland	NBP rate decision (%)	Mar	4,00	3,75	3,75
2:30	China	NBS Manufacturing PMI (pts)	Feb	49,3		49,1
2:45	China	RatingDog Manufacturing PMI (pts)	Feb	50,3		50,2
10:00	Eurozone	Services PMI (pts)	Feb	51,8	51,8	51,8
10:00	Eurozone	Final Composite PMI (pts)	Feb	51,9	51,9	51,9
11:00	Eurozone	Unemployment rate (%)	Jan	6,2		6,2
11:00	Eurozone	PPI (% YoY)	Jan	-2,1		-2,7
14:15	USA	ADP employment report (k)	Feb	22		50
16:00	USA	ISM Non-Manufacturing Index (pts)	Feb	53,8	53,0	53,5
Thursday 03/05/2026						
11:00	Eurozone	Retail sales (% MoM)	Jan	-0,5		0,2
Friday 03/06/2026						
8:00	Germany	New industrial orders (% MoM)	Jan	7,8		-4,1
11:00	Eurozone	Employment (% YoY)	Q4	0,6		
11:00	Eurozone	Revised GDP (% QoQ)	Q4	0,3	0,3	0,3
11:00	Eurozone	Final GDP (% YoY)	Q4	1,3	1,3	1,3
13:30	USA	Retail sales (% MoM)	Jan	0,0	-0,3	-0,2
14:30	USA	Unemployment rate (%)	Feb	4,3	4,3	4,3
14:30	USA	Non-farm payrolls (k MoM)	Feb	130	70	55
16:00	USA	Business inventories (% MoM)	Dec	0,1		0,1

*The forecasts of macroeconomic indicators for Poland were prepared by Credit Agricole Bank Polska S.A. The forecasts of foreign indicators were prepared by Crédit Agricole Corporate and Investment Bank

** According to Thomson Reuters, Bloomberg or Parkiet daily